

Ohio Senate Energy Committee
Proponent Testimony of
NRG Energy
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Director Of Government Affairs - Central Region
Sub-Senate Bill 2
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Chairman Chavez, Vice-Chair Landis, Ranking Member Smith and members of the Senate Energy Committee, thank you for the opportunity to testify on the merits of Substitute Senate Bill 2, which promotes and advances the competitive power market in Ohio.

My name is Melville Nickerson, and I serve as the Director of Government Affairs for the Central Region for NRG Energy Inc.

NRG is a publicly traded, fortune 500 company, we generate electricity for sale on the wholesale market in PJM and other regional transmission operators and we sell natural gas and electricity to industrial commercial and residential customers, saving our customers money and offering innovative services to meet their needs. Ohio is our largest Midwest market where we serve over a half-million Ohio customers and have dozens of employees. We don't currently own generation in Ohio, but NRG did save and operate coal plants that utilities had previously said were uneconomic, proving that a competitive market works. Unfortunately, those plants are no longer a part of our company and the owners since closed those facilities.

Twenty-five years ago, when Ohio deregulated its energy market, legislators sitting in your seats were cautious, and rightly so. What if markets did not develop as expected? What if new generation did not get built in Ohio? Now, these many years later I think we can say without a doubt that we have robust markets in Ohio and across the region. And if you pass the reforms contained within SB2, it will help to move Ohio forward with a stronger competitive energy market that better serves the businesses and residents of Ohio and sends a strong message about growth and development in Ohio.

You have heard from many experts on many topics over the last five hearings who are proponents for Senate Bill 2, so I will not try to speak to all the positive elements of the bill.

I will focus my comments on two key elements of SB2, a pro-consumer bill that aims to keep: (1) electricity costs low and (2) drive customer benefits through

competition. Competitive electric markets have saved Ohio ratepayers nearly \$3 billion per year, since 2011, according to a Cleveland State University study¹, titled *2024 Update on Electricity Customer Choice in Ohio*.

First, requiring electric utilities to competitively bid the Standard Service Offer for residential customers that do not shop for their electricity will ensure residential consumers receive the lowest price for their electricity. This provision also empowers consumers to shop for electricity based on a transparent Standard Service Offer price and their personal choice. For example, NRG's 'Choose to Give' Program, a partnership that pairs a customer's electricity with philanthropic donations, has generated over \$6 million in donations to Nationwide Children's Hospital. Across 2023 and 2024, NRG delivered 45 million airline miles to Ohioans through an innovative airline partnerships. Through these programs, NRG gives all participates the power to visit loved ones or take a vacation. If you focus is just on the cheapest price per kilowatt, we have very competitive pricing as illustrated by the high number of customers we serve in Ohio. Bottom line consumers win when their allowed to choose what works best for their family or their business.

Second, the provisions that create a direct relationship between the electric supplier and the customer will increase customer service as suppliers compete to retain customers. Specifically, Senate Bill 2 enables suppliers to directly bill the customer, provide on-bill financing for products that encourage energy savings, and allows for easy customer enrollment are all pro-consumer provisions. These provisions allow NRG to directly engage with the customer and offer products and services to save consumers money. I would also note the bill also provides new protections for customers within the competitive retail energy space, and we support those consumer protections.

NRG was supportive of SB2 as introduced and NRG remains a proponent of the current version of the substitute bill. I want to thank Senator Reineke for introducing this important piece of legislation, and to the many leaders in this Chamber and in the House who are driving toward a more competitive and robust energy market in Ohio. I hope this Committee will look favorably on passage of Senate Bill 2.

Mr. Chairman, I would be happy to try and answer any questions from the committee.

¹ https://www.nopec.org/media/3w4cfqm0/24nop32-whitepaper_r2_digital_25nov2024.pdf